

**Senate File 2266 - Introduced**

SENATE FILE 2266

BY CARLIN

**A BILL FOR**

1 An Act establishing a homestead adjustment property tax credit  
2 for certain property of persons who have attained the age  
3 of sixty-five or who are totally disabled, applying income  
4 limitations, providing a penalty, making appropriations, and  
5 including retroactive and other applicability provisions.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 425B.1 Homestead adjustment credit  
2 — purpose.

3 Persons who own their homesteads and who meet the  
4 qualifications provided in this chapter are eligible for a  
5 homestead adjustment credit, as provided in this chapter, to  
6 prevent an increase in the amount of property taxes owed.

7 Sec. 2. NEW SECTION. 425B.2 Definitions.

8 As used in this chapter, unless the context otherwise  
9 requires:

10 1. "*Base assessment year*" means the assessment year  
11 beginning in the base year.

12 2. "*Base year*" means the calendar year last ending before  
13 the claim is filed.

14 3. "*Claimant*" means a person filing a claim for a credit  
15 under this chapter who has either attained the age of  
16 sixty-five years on or before December 31 of the base year or  
17 is totally disabled as defined in section 425.17, and who is  
18 domiciled in this state at the time the claim is filed or at the  
19 time of the person's death in the case of a claim filed by the  
20 executor or administrator of the claimant's estate.

21 4. "*Homestead*" means the same as defined in section 425.11.

22 5. "*Household*", "*household income*", and "*income*" mean the  
23 same as defined in section 425.17.

24 6. "*Owned*" means owned by an owner as defined in section  
25 425.11.

26 Sec. 3. NEW SECTION. 425B.3 Right to file a claim.

27 The right to file a claim for a homestead adjustment  
28 credit under this chapter may be exercised by the claimant  
29 or on behalf of a claimant by the claimant's legal guardian,  
30 spouse, or attorney, or by the executor or administrator of the  
31 claimant's estate. If a claimant dies after having filed a  
32 claim for a credit, the amount of the credit shall be made as if  
33 the claimant had not died. Only one claimant per household per  
34 fiscal year shall be entitled to a credit under this chapter.

35 Sec. 4. NEW SECTION. 425B.4 Claim for credit.

1 1. Subject to the limitations provided in this chapter, a  
2 claimant may annually claim a homestead adjustment credit for  
3 the claimant's homestead for the base assessment year. The  
4 claim shall be filed with the county assessor for approval  
5 between January 1 and February 15 immediately following  
6 the close of the base assessment year. However, in case of  
7 sickness, absence, or other disability of the claimant, or if  
8 in the judgment of the county assessor good cause exists, the  
9 county assessor may extend the time for filing a claim through  
10 June 30 of the same calendar year.

11 2. The assessor shall remit the list of approved eligible  
12 claims to the county auditor by July 6 of each year. All  
13 eligible claims for credit shall be certified on or before  
14 August 1, in each year, by the county auditor to the county  
15 treasurer, which certificates shall list the total number of  
16 homestead adjustment credits in the county and the total amount  
17 of all such credits, listed by taxing district in the county.  
18 The county treasurer shall certify to the department of revenue  
19 the total amount of dollars, listed by taxing district in the  
20 county, due for homestead adjustment credits claimed.

21 **Sec. 5. NEW SECTION. 425B.5 Credit amount — income**  
22 **limitations.**

23 1. If the income qualification specified in subsection 2 is  
24 met, the amount of the claimant's homestead adjustment credit  
25 shall be an amount equal to the amount of property taxes levied  
26 against the homestead for the base assessment year following  
27 application of all applicable property tax credits other than  
28 the homestead adjustment credit minus the amount of property  
29 taxes levied against the homestead for the assessment year  
30 preceding the base assessment year following application of all  
31 property tax credits.

32 2. A claimant is eligible for a homestead adjustment  
33 credit against taxes levied on the claimant's homestead if  
34 the claimant's household income is less than thirty thousand  
35 dollars in the base year.

1     Sec. 6. NEW SECTION.   **425B.6 Administration.**

2     1. The director of revenue shall make available suitable  
3 forms for claiming a homestead adjustment credit with  
4 instructions for claimants. Each assessor and county treasurer  
5 shall make available the forms and instructions. The claim  
6 shall be in a form as the director may prescribe.

7     2. The homestead adjustment credit fund is created within  
8 the state treasury under the control of the department of  
9 revenue. There is appropriated annually from the general  
10 fund of the state to the department of revenue for deposit  
11 in the homestead adjustment credit fund an amount sufficient  
12 to provide all credits authorized under this chapter. The  
13 director of the department of administrative services shall  
14 issue warrants on the homestead adjustment credit fund payable  
15 to the county treasurers of the several counties of the state  
16 under this chapter. The amount due each county shall be paid  
17 in two payments on November 15 and March 15 of each fiscal  
18 year, drawn upon warrants payable to the respective county  
19 treasurers. The two payments shall be as nearly equal as  
20 possible.

21     3. Annually, the department of revenue shall certify to  
22 the county auditor of each county the credit and its amount  
23 in dollars. Each county auditor shall then enter the credit  
24 against the tax levied on each eligible homestead in each  
25 county payable during the ensuing year, designating on the  
26 tax lists the credit as being from the homestead adjustment  
27 credit fund, and credit shall then be given to the several  
28 taxing districts in which eligible homesteads are located in  
29 an amount equal to the credits allowed on the taxes of the  
30 homesteads. The amount of credits shall be apportioned by each  
31 county treasurer to the several taxing districts as provided  
32 by law, in the same manner as though the amount of the credit  
33 had been paid by the owners of the homesteads. However, the  
34 several taxing districts shall not draw the funds so credited  
35 until after the semiannual allocations have been received by

1 the county treasurer, as provided in this chapter. Each county  
2 treasurer shall show on each tax receipt the amount of credit  
3 received from the homestead adjustment credit fund.

4 Sec. 7. NEW SECTION. 425B.7 Proof of claim.

5 1. Every claimant shall give the department of revenue, in  
6 support of the claim, reasonable proof of:

7 a. Age and total disability, if any.

8 b. Changes of homestead.

9 c. Size and nature of the property claimed as the homestead.

10 d. Household income.

11 2. The director of revenue may require any additional proof  
12 necessary to support a claim.

13 Sec. 8. NEW SECTION. 425B.8 Audit — denial.

14 If on the audit of a claim for a homestead adjustment credit  
15 under this chapter, the director of revenue determines the  
16 claim is not allowable, the director shall notify the claimant  
17 of the denial and the reasons for it. The director shall  
18 not deny a claim after three years from October 31 of the  
19 year in which the claim was filed. The director shall give  
20 notification to the county assessor of the denial of the claim  
21 and the county assessor shall instruct the county treasurer to  
22 proceed to collect the tax that would have been levied on the  
23 applicable adjusted assessed value in the same manner as other  
24 property taxes due and payable are collected, if the property  
25 on which the credit was granted is still owned by the claimant.  
26 However, if the claim was incorrectly allowed due to a clerical  
27 error, error by a person other than the claimant, or an  
28 innocent misrepresentation by or on behalf of the claimant, the  
29 proceedings to collect the tax shall be limited to the taxes  
30 due and payable in the twelve months immediately preceding the  
31 disallowance.

32 Sec. 9. NEW SECTION. 425B.9 Waiver of confidentiality.

33 1. A claimant shall expressly waive any right to  
34 confidentiality relating to all income tax information  
35 obtainable through the department of revenue including all

1 information covered by sections 422.20 and 422.72. This waiver  
2 shall apply to information available to the county assessor who  
3 shall hold the information confidential except that it may be  
4 used as evidence to disallow the homestead adjustment credit.

5 2. The department of revenue may release information  
6 pertaining to a person's eligibility or claim for or receipt  
7 of the credit to an employee of the department of inspections  
8 and appeals in the employee's official conduct of an audit or  
9 investigation.

10 Sec. 10. NEW SECTION. **425B.10 False claim — penalty.**

11 A person who makes a false affidavit for the purpose of  
12 obtaining a homestead adjustment credit provided for in this  
13 chapter or who knowingly receives the credit without being  
14 legally entitled to it or makes claim for the credit in more  
15 than one county in the state without being legally entitled  
16 to it is guilty of a fraudulent practice. The claim for  
17 credit shall be disallowed in full and if the claim has been  
18 paid, the amount shall be recovered in the manner provided in  
19 section 425B.8. The director of revenue shall send a notice  
20 of disallowance of the claim.

21 Sec. 11. NEW SECTION. **425B.11 Notices, appeals, and**  
22 **rules.**

23 To the extent not otherwise contrary to the provisions of  
24 this chapter:

25 1. Section 423.39, subsection 1, shall apply to all notices  
26 under this chapter.

27 2. Any person aggrieved by an act or decision of the  
28 director of revenue or the department of revenue under this  
29 chapter shall have the same rights of appeal and review as  
30 provided in section 423.38 and the rules of the department of  
31 revenue.

32 3. A claim for credit shall be disallowed if the department  
33 finds that the claimant or a person of the claimant's household  
34 received title to the homestead primarily for the purpose of  
35 receiving benefits under this chapter.

1 4. The department of revenue shall adopt rules pursuant to  
2 chapter 17A to administer and interpret this chapter, including  
3 rules to prevent and disallow duplication of benefits and to  
4 prevent any unreasonable hardship or advantage to any person.

5 Sec. 12. APPLICABILITY. This Act applies retroactively to  
6 January 1, 2018, for assessment years beginning on or after  
7 that date and to the filing of claims for homestead adjustment  
8 credits on or after January 1, 2019.

9

EXPLANATION

10 The inclusion of this explanation does not constitute agreement with  
11 the explanation's substance by the members of the general assembly.

12 This bill establishes a homestead adjustment credit for an  
13 owner of a homestead if the owner is a person who is either 65  
14 or older or totally disabled, and who has household income of  
15 less than \$30,000 per year. If the qualifications established  
16 in the bill are met, the amount of the homestead adjustment  
17 credit shall be an amount equal to the amount of property taxes  
18 levied against the homestead for the base assessment year, as  
19 defined in the bill, following application of all applicable  
20 property tax credits other than the homestead adjustment credit  
21 minus the amount of property taxes levied against the homestead  
22 for the assessment year preceding the base assessment year  
23 following application of all property tax credits. Only one  
24 claimant per household per fiscal year may receive the credit  
25 under the bill.

26 The bill annually appropriates from the general fund of the  
27 state to the department of revenue for deposit in the homestead  
28 adjustment credit fund, created in the bill, an amount  
29 sufficient to fund all of the homestead adjustment credits for  
30 the fiscal year.

31 The bill provides that a person who makes a false affidavit  
32 for the purpose of obtaining a credit, knowingly receives a  
33 credit without being legally entitled to it, or makes claim for  
34 a credit in more than one county without being legally entitled  
35 to it is guilty of a fraudulent practice and is subject to a

1 criminal penalty.

2     The bill applies retroactively to January 1, 2018, for  
3 assessment years beginning on or after that date and applies to  
4 claims filed on or after January 1, 2019, for the credit.